



INTERACTION STATEMENT

GRAND BARGAIN ANNUAL MEETING 2021

JUNE 15-17, 2021

InterAction would like thank Sigrid Kaag for her strong leadership as Eminent Person and to welcome Jan Egeland to the role. As a Grand Bargain signatory since 2016, and former representative on the Facilitation Group (2017-2019), InterAction is looking forward to seeing Mr. Egeland build on the legacy that has already been established and take the Grand Bargain process forward in a dynamic direction.

Over the course of the previous five years, we have been encouraged by the collaborative, calibrated efforts and investments of Grand Bargain signatories under its first iteration and have deeply valued the Grand Bargain process for bringing together major actors in the humanitarian system to explore ways to more efficiently and effectively serve people in need of humanitarian assistance. However, given that much work remains to direct the focus of humanitarian efforts where they can achieve the greatest impact, InterAction therefore supports the continuation of the Grand Bargain in future years.

InterAction remains committed to encouraging NGOs and the broader humanitarian community to use the Grand Bargain commitments as a catalytic framework for meaningful change. We agree with the two Enabling Priorities under the Grand Bargain 2.0 framework, as increasing the flow of quality funding to frontline actors and ensuring local organizations lead and are funded directly are critical areas for progress in the humanitarian field. However, we urge that robust efforts be made to further define the barriers to achieving these goals and to focus on addressing the areas most critical to unlocking them. Advancement on these two essential priorities is heavily contingent on addressing underlying issues that have limited progress to date.

Specificity to Ensure Accountability in the Grand Bargain 2.0

InterAction agrees with narrowing the focus of the original Grand Bargain commitments into two critical Enabling Priorities, guided by lessons learned by the humanitarian community over the past five years of Grand Bargain discussion and implementation. We also strongly support the Outcome Pillars as a useful organizing framework to clarify pathways to achieving them.

However, we are concerned with the lack of specificity and designated targets in the remainder of the proposed framework, specifically with regards to the outputs and activities. We also note that linkages between the 2.0 proposal and the initial Grand Bargain commitments are limited, with little clarity as to how specific components of the first iteration, such as the Workstreams, will fit into this second stage. Clearly defined targets, metrics, and standards are essential to orienting signatories around common goals and ensuring adequate progress is made and measured. Furthermore, the “quid pro quo” element that was so critical to the spirit of the Grand Bargain does not feature clearly in the 2.0 framework. This has been essential to bringing different constituents in the humanitarian system around the table, recognizing that they all had to embrace institutional change to arrive at

better humanitarian outcomes and use of limited resources. Without a clear and equally compelling quid pro quo agenda going forward, we remain concerned that key actors in the system will not feel committed to engaging and that the initial spirit of the 2016 agreement may be lost.

InterAction would therefore advocate that more effort be invested after the Annual Meeting to refine the 2.0 proposal to identify the root causes of the barriers to progress on the Enabling Priorities, identify specific areas of focus, targets, and activities to address them, and ensure the “quid pro quo” approach is reflected in the framework. Without doing so, progress will be uneven, and commitments open to interpretation by each signatory.

Coalitions of the Willing and Essential

While the Grand Bargain requires forward leaning and bold decision making, the process has often lacked political energy and focused on technical discussions to drive change. The proposed “political caucuses” may provide a novel solution to this challenge and reinvigorate the process. Focused on the right combination of issues, the caucuses could assist in untangling the “Gordian Knot” of issues related to transparency and use of funds in return for more flexible and streamlined funding that is at the heart of progress on the Grand Bargain.

We would caution, however, that a “coalitions of the willing” approach may not guarantee a focus on the issues in most critical need of political energy nor ensure the presence of key stakeholders needed to address specific challenges in the humanitarian system. The Norwegian Refugee Council-led Money Where It Counts initiative, for example, has been taken up by few donors under the Grand Bargain, limiting its full potential of harmonized cost classifications and financial budgeting and reporting. Without key donors at the table in uptake discussions on this and other issues, progress will not be made and the critical time, thought, and political will invested in the process will be lost.

Over the past five years of the Grand Bargain, progress has hinged on internal shifts by individual signatories, and those that have adopted this approach should be applauded. However, a seismic shift in the challenges facing the humanitarian community requires widespread acceptance and standardization, especially by key stakeholders such as major donors and UN agencies. InterAction urges the signatories to implement a system that brings key stakeholders into each area of discussion for the caucus concept to be successful on a broad scale and across a range of challenges.

Embrace Unique Opportunities Presented by COVID-19 Response

As we have seen over the past year and a half, NGOs’ response to the pandemic has demonstrated their ability to operate under extreme and unprecedented conditions. However, the global spread of COVID-19 underscores the urgency for streamlined partnering practices and the greater provision of quality funding if frontline actors are to maintain operational readiness and the ability to rapidly adapt and scale up programs. The humanitarian community has learned stark lessons during the COVID-19 crisis, especially regarding the critical need for flexible and timely funding in the face of major humanitarian crises.

Many Grand Bargain signatories implemented flexibility measures to address the overwhelming needs caused by the COVID-19 pandemic: partnership processes were streamlined, more flexible funding was provided to NGO partners with fewer requirements, and NGOs were able to respond rapidly and more flexibly as needs and gaps arose. Donors should be applauded for these actions, and in turn, they should reflect on the accountability that was maintained by their partners with more flexible terms. We urge maintaining and standardizing this level of

flexibility going forward and call on donors to seize the COVID-19 test as proof positive that these adaptations enable a better functioning and more responsive humanitarian system.

Flexible and unearmarked funding enables NGOs to respond to changing needs and does not require donors to forgo appropriate due diligence, reporting, and accountability measures. Grand Bargain signatories that act as funders must take deliberate steps to ensure quality funding reaches frontline actors in a streamlined fashion with simplified application and reporting procedures to respond effectively. We must see these changes not just as adaptations for a limited period due to the pandemic, but as institutional shifts that should be maintained to make the humanitarian system more efficient overall. We strongly encourage funding flexibility be taken forward in all humanitarian programming.

Risk Sharing: Managing Risk to Reach Those in Need

It is neither new nor novel for us to say that humanitarian action is inherently risky. In fact, saving lives and alleviating human suffering means taking risks. Risk is inevitable and random. It will affect each of our organizations at multiple points in time and in multiple ways. Therefore, we must take collective and deliberate steps to understand it, to promote a risk-aware and risk-sharing culture and to ensure actions taken to address risk are guided by the primary goal of ensuring life-saving humanitarian action.

First, we must establish a vision for risk management that is human-centered. Too often, we design approaches to protect our organizations rather than the people we aim to serve. We have beset ourselves with complex and burdensome requirements that curtail and delay our ability to reach people in need in the name of “limiting risk.” However, this approach often means that humanitarian organizations are unable to meet most critical needs due to stringent procurement guidelines or risk-averse policies. While risk mitigation considerations are important, the hard truth is that we have built a culture and system of risk management predicated on fear rather than one motivated by principle. Too often, approaches in humanitarian action transfer risk, emphasizing the risk posed by the partner to the funder rather than a model that ensures assistance reaches affected people and accepts risk as a responsibility shared by all stakeholders. As a first step, we call on funders to assess how their controls and requirements may create risks for partners and compromise timely and quality assistance to affected people.

Second, we must support a risk-aware culture, one that rewards efforts to minimize the impacts of failure or loss and supports frontline teams in delivering the right type of assistance, where people need it, and when they need it most. A more risk-aware culture recognizes in rhetoric and tangible action, that zero risk is an unattainable expectation. It acknowledges that risk is and should be shared by all stakeholders. A risk-aware culture understands that when the risk to one is prioritized over the risks to all, humanitarian programs suffer, and people suffer. While essential to successful operation, this common understanding is not yet universal, resulting in unequal levels of ownership for a shared problem, controls and requirements that fail to address the root causes of risk, and additional onerous complications in humanitarian contexts where some risks cannot be fully mitigated or prevented. Risk-aware solutions must confront the realities of responding in crises today and be guided, above all, by the goal of enabling quality programs.

InterAction therefore welcomes the statement on risk-sharing proposed by ICRC and the Netherlands and calls for continued efforts to harmonize the understanding of risk, prioritize appropriate resourcing, and allow candid conversations that help us better share risk. It is of paramount importance that risk owners and decision makers, the very staff that grapple with impossible challenges and tradeoffs every day, are involved at all levels of these conversations.

Our collective focus must orient around risk sharing and promote greater understanding, acceptance, and tolerance that losses and failures are inevitable, despite a comprehensive suite of controls. This focus, and policies flowing from it, will better enable efficient and principled humanitarian action, grounded in impartial and independent delivery, in places where risks are significant and the need to save lives is greatest.